

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 8174**

**BILL NUMBER:** HB 2021

**DATE PREPARED:** Mar 18, 1999

**BILL AMENDED:** Mar 4, 1999

**SUBJECT:** Motor vehicle inspection stations.

**FISCAL ANALYST:** Kristin Breen

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**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** (Amended) (1) This bill applies air pollution control laws concerning motor vehicles emissions tests to certain motor vehicles. It allows certain inspection stations to inspect and certify motor vehicles. It describes circumstances under which the Department of Environmental Management may contract with a person to conduct emissions inspections. It repeals the expired provision that governed contracts for motor vehicles emission inspections and legalizes actions taken under the expired provision.

(2) It prohibits the Department of Environmental Management from using the money in a fund to pay for the expenses of administering another fund or for any other purpose other purpose than the specified purpose for which the fund was established.

**Effective Date:** (Amended) June 30, 1998 (retroactive); Upon passage; July 1, 1999.

**Explanation of State Expenditures:** (Revised) (2) This bill provides that the expenses of administering an Indiana Department of Environmental Management (IDEM) dedicated fund may only be paid from money in the fund and that money in the fund may not be used to pay the expenses of administering another fund or for any purpose other than the specified purpose. IDEM has 11 dedicated funds.

Currently, the salary and expenses of each employee who provides agency-wide services are charged to only one fund. The fund that is charged is determined by estimating on which project or program the employee spends the bulk of his or her time. In its budget request for the 1999-2001 biennium, IDEM has proposed a new method of distributing the costs of agency-wide services. Under this new method, agency-wide services would be funded through state General Fund revenues (which are partly refunded by federal funds), as well as by an 11% to 15% assessment to dedicated funds (the 11% to 15% reflects the total annual cost of agency-wide services divided by the total cost of IDEM's annual budget). The assessment would be reviewed biennially. IDEM's budget request includes \$7.8 million from dedicated funds each year for agency-wide services. The \$7.8 million represents approximately 6% of IDEM's total budget request.

This bill could result in a range of outcomes, including replacement of dedicated fund money with state General Fund money and/or budget cuts. The funds and/or budget cuts could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in other programs; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of February 1999, IDEM had 251 vacant positions. Approximately \$960,000 was reverted to the state General Fund in FY 98. Ultimately, the source of funds and/or budget cuts required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

This bill would also require every employee who provides agency-wide services to track the amount of time that is actually spent on each project or program. Managing this type of approach would increase IDEM's administrative expenses. This can be accomplished within the existing budget.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Environmental Management.

**Local Agencies Affected:**

**Information Sources:** Erika Seydel Cheney, Indiana Department of Environmental Management, 232-8598; Carole Casto Brubaker, Indiana Department of Environmental Management, 233-6319.